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February 25, 2008

**VIA E-MAIL AND FIRST CLASS MAIL**

Mr. Janusz Johnson  
Senior Environmental Manager  
Indiana Department of Environmental Management  
Office of Compliance & Enforcement  
Air Section  
100 North Senate Avenue  
MC 60-02 IGCN 1315  
Indianapolis, IN 46204-2251

Re: Notice of Violation - Case No. 2007-17200-A  
United States Steel Corporation – Gary Works

Dear Mr. Johnson:

As we discussed during our telephone conversations, including the most recent conversation of February 6, 2008, U. S. Steel is providing you with information regarding its compliance with pushing and coke oven door standards. U. S. Steel appreciates the opportunity to discuss and to respond to the issues identified in the above referenced Notice of Violation (NOV).

As noted in the NOV, the Indiana Department of Environmental Management (IDEM) alleges that based upon its investigation on July 11, 2007, U. S. Steel exceeded the opacity limitations at Coke Ovens 12, 16, and 18 on Coke Oven Battery No. 2, with opacity measurements of 34.16%, 25.00% and 36.67%, respectively, as reported by IDEM, during pushing operations at each of the respective ovens, in violation of 326 IAC 6.8-9-3(a)(3) and Condition D.2.4(c)(2) of Gary Works' Part 70 Permit. In the same notice, IDEM alleges that on the same day visible emissions were observed at 11.7% of Coke Battery No. 2 oven doors, in violation of 326 IAC 6.8-9-3(a)(1) and Condition D.2.4(a) of Gary Works' Part 70 permit which require that visible emissions be observed in no more than 10% of the coke oven doors.

As we discussed, for settlement purposes, U. S. Steel is not alleging that the IDEM observations are incorrect or do not qualify as credible evidence, although it retains the right to claim such a defense should the matter be litigated. I will address the alleged pushing violations first and then will follow with a discussion of U. S. Steel's coke oven door compliance.

### **Pushing Compliance**

As you are aware, the Agreed Order addresses past non-compliance with pushing opacity limitations and required U. S. Steel to demonstrate compliance with the pushing standards. As we discussed, while the Agreed Order is silent as to whether or not IDEM observations were to be included in any compliance demonstration, historically, IDEM observations have been included in such compliance demonstrations, *specifically at the request of IDEM*. In fact, the IDEM observations taken on July 11, 2007, as identified in the above referenced NOV, were included in the calculations and reports provided to IDEM to demonstrate compliance as required by the Agreed Order. During the third quarter of 2007, taking into account the IDEM observations listed in the above referenced NOV as well as other IDEM and U. S. Steel pushing observations taken in the Third Quarter 2007, U. S. Steel achieved 99% compliance with pushing at Coke Oven Battery No. 2, consistent with the Agreed Order. .

As noted above, IDEM observations have been used to demonstrate compliance with the Agreed Order. It would seem inappropriate for IDEM observations to be included within the scope of the Agreed Order when demonstrating compliance, but to pursue enforcement authorities outside the scope of the Order should a violation be observed. Paragraph 3a of the Order requires U. S. Steel to demonstrate compliance and allows U. S. Steel to perform less frequent observations should the monitoring show that "at least 99% compliance has been maintained for four (4) consecutive quarters." The Agreed Order indicates that a 99% compliance demonstration per quarter per coke oven battery (COB) was acceptable to "demonstrate compliance" since any excursions occurring within the 99% compliance period did not trigger additional, i.e., six, readings. As noted in the Third Quarterly Report provided to IDEM, U. S. Steel fulfilled this obligation.

Finally, U. S. Steel is providing a summary of its pushing compliance data that reveal that U. S. Steel's pushing compliance continues to improve. (See attached trend charts.) U. S. Steel continues to read four coke pushes per battery per day as required by 40 CFR § 63 Subpart CCCCC and any deviations are reported to IDEM quarterly.

Paragraph 4.a.i of the Agreed Order requires U. S. Steel to implement work practices in the event an opacity limit is exceeded. As required by the Agreed Order, U. S. Steel performed such work practices as described in 40 CFR § 63.7291 (a)(1) through (7) to correct the problem. Furthermore, the following two pushes from the respective ovens were observed and indicated compliance with the opacity standard therefore demonstrating that the corrective actions on each of the ovens were successful. In light of Agreed Order's apparent anticipation of isolated pushing opacity excursions, the implementation of successful corrective actions and compliance with the Agreed Order, including the IDEM observations that are subject to the NOV, U. S. Steel respectfully disagrees with IDEM's election to pursue an enforcement action regarding the above-referenced pushing observations.

**Coke Oven Door Compliance**

As noted in the above referenced NOV, IDEM alleges that visible emissions were observed leaking from 11.7% of the No. 2 Battery oven doors. As noted above, for settlement purposes, U. S. Steel is not alleging that the IDEM observations are incorrect or do not qualify as credible evidence, although it retains the right to claim such a defense should the matter be litigated. As noted in Paragraph 4.b.ii of the Agreed Order, 100% compliance with the coke oven door emission was not anticipated nor expected by the terms of the Order; and in fact, U. S. Steel is required to implement work practices on a coke oven battery only in the event that more than one inspection during a calendar month exceeded the door emission limits for any single coke oven batter. During the month of July 2007, only one inspection revealed an excursion above the 10% standard and implementation of work practices was not required or necessary pursuant to the terms of the Agreed Order.

Furthermore, as illustrated in the attached charts, U. S. Steel has shown improvement with its compliance with the coke oven door standard. In light of U. S. Steel's consistent improvement with the coke oven door standard, compliance with the Agreed Order, and the fact that the excursion noted by IDEM did not even require implementation of any work practices, U. S. Steel respectfully disagrees with IDEM's election to pursue an enforcement action regarding the July 11, 2007 IDEM observation since the observation was an isolated observation and was not related to a systemic problem at the facility.

U. S. Steel appreciates this opportunity to respond to the above referenced NOV and would be pleased to meet with you to discuss this in further detail. I will contact you within the next week to discuss our response and to address any questions that you may have. In the interim, should you have any questions regarding this matter, please feel free to contact me at 412.433.2919.

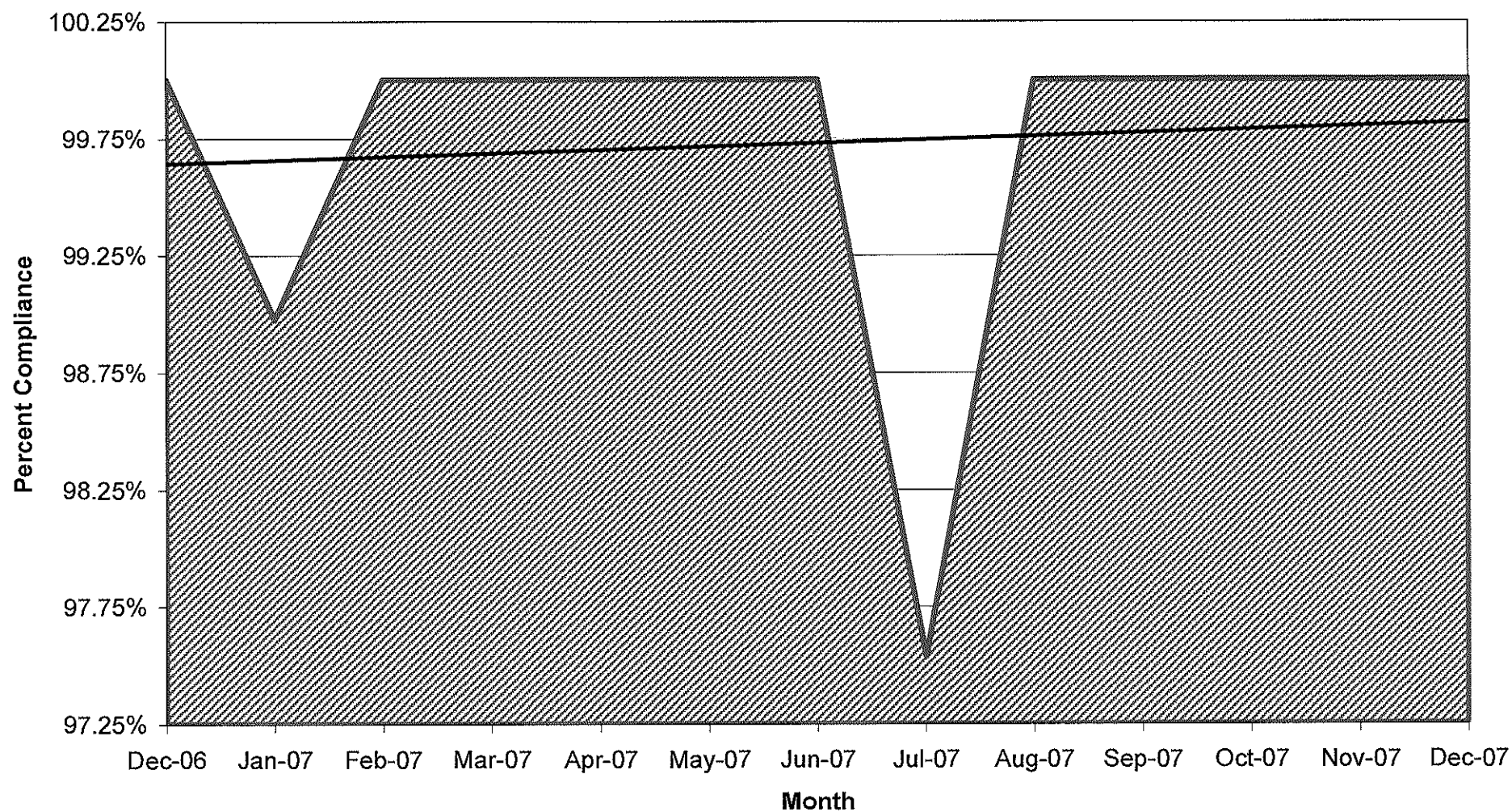
Very truly yours,



David W. Hacker

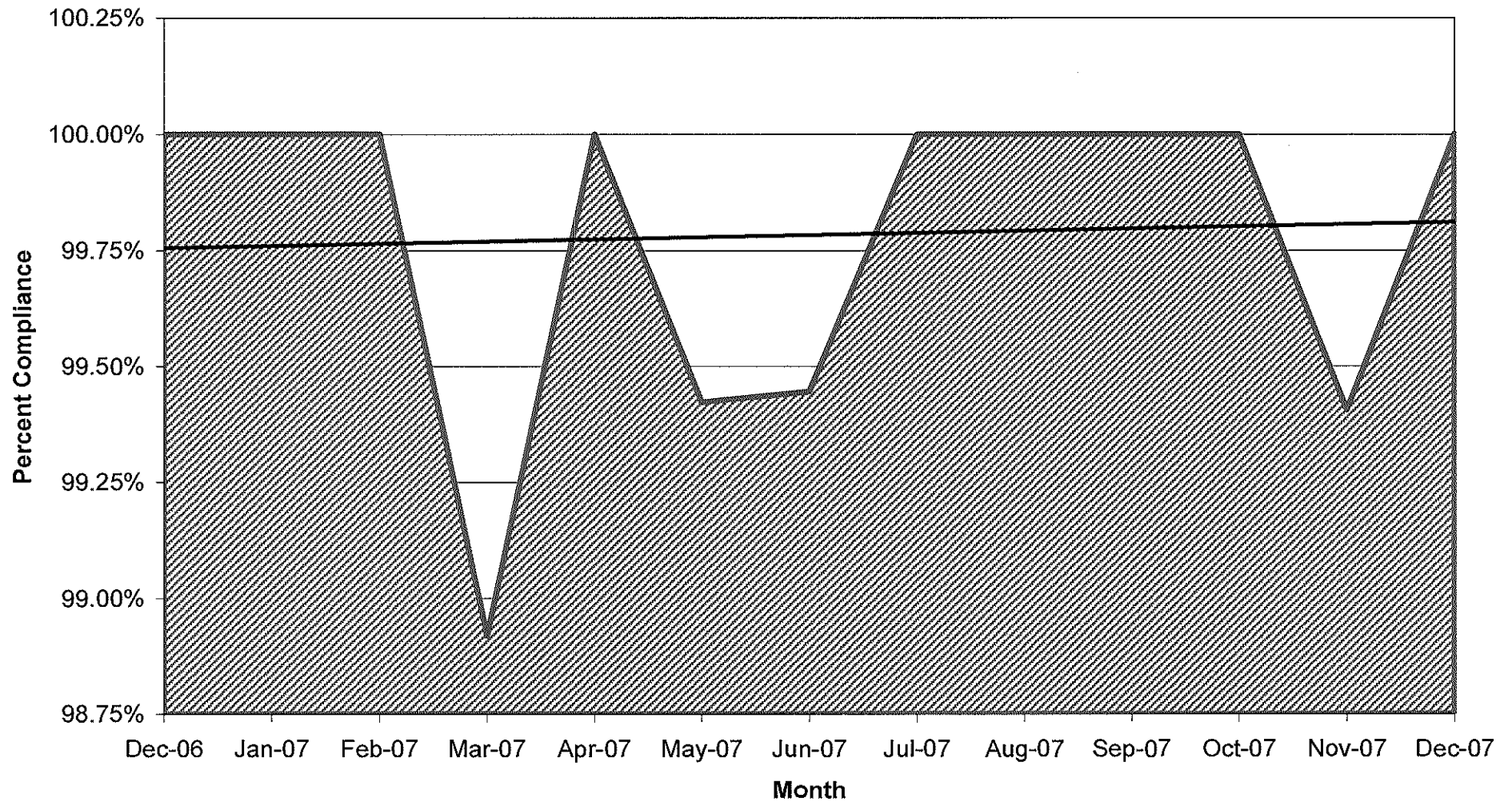
Attachments

**No. 2 Coke Battery  
Monthly Pushing Compliance  
December 2006 to December 2007**



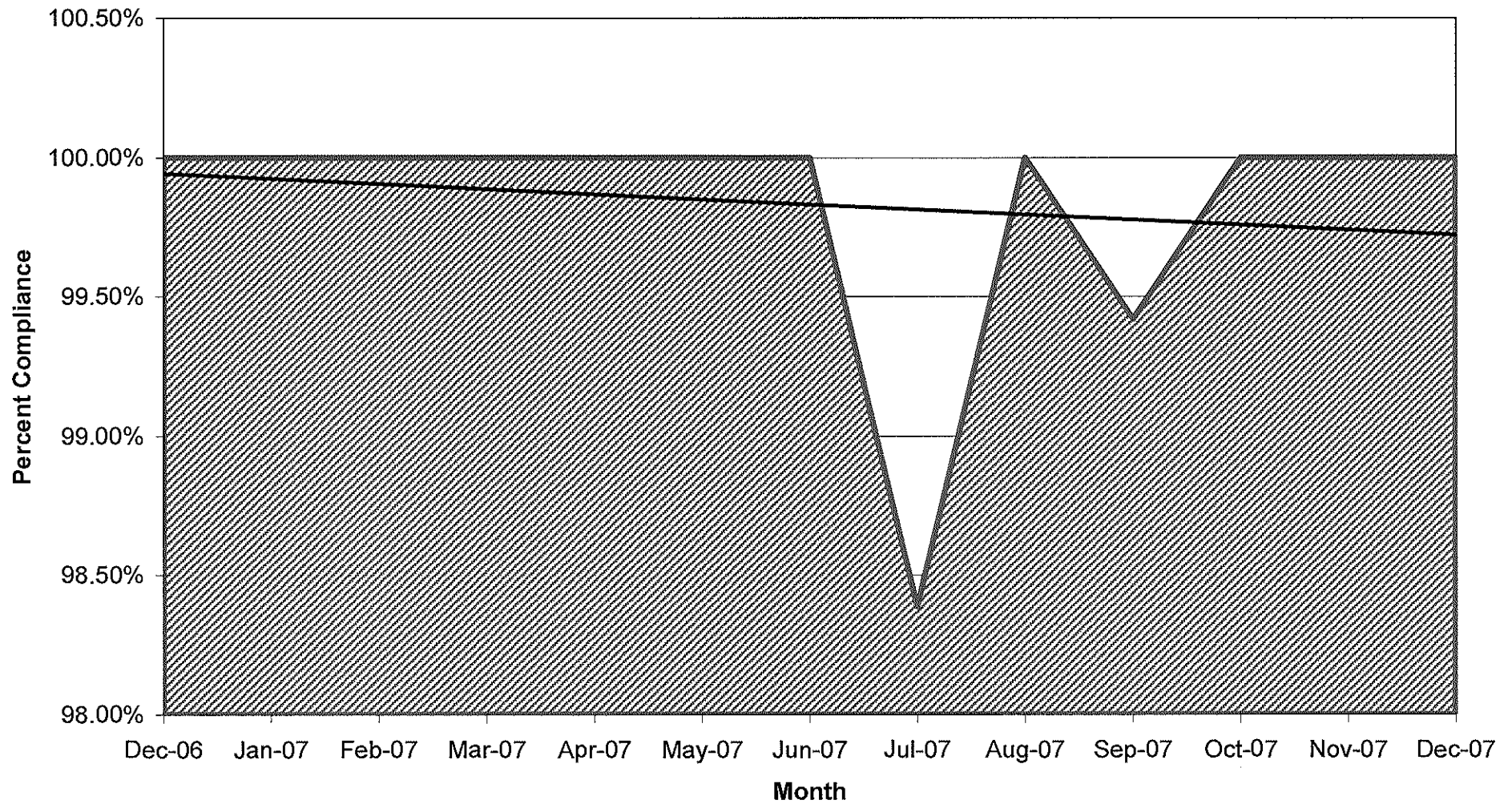
■ No. 2 Coke Battery Percent Compliance

**No. 5 Coke Battery  
Monthly Pushing Compliance  
December 2006 to December 2007**



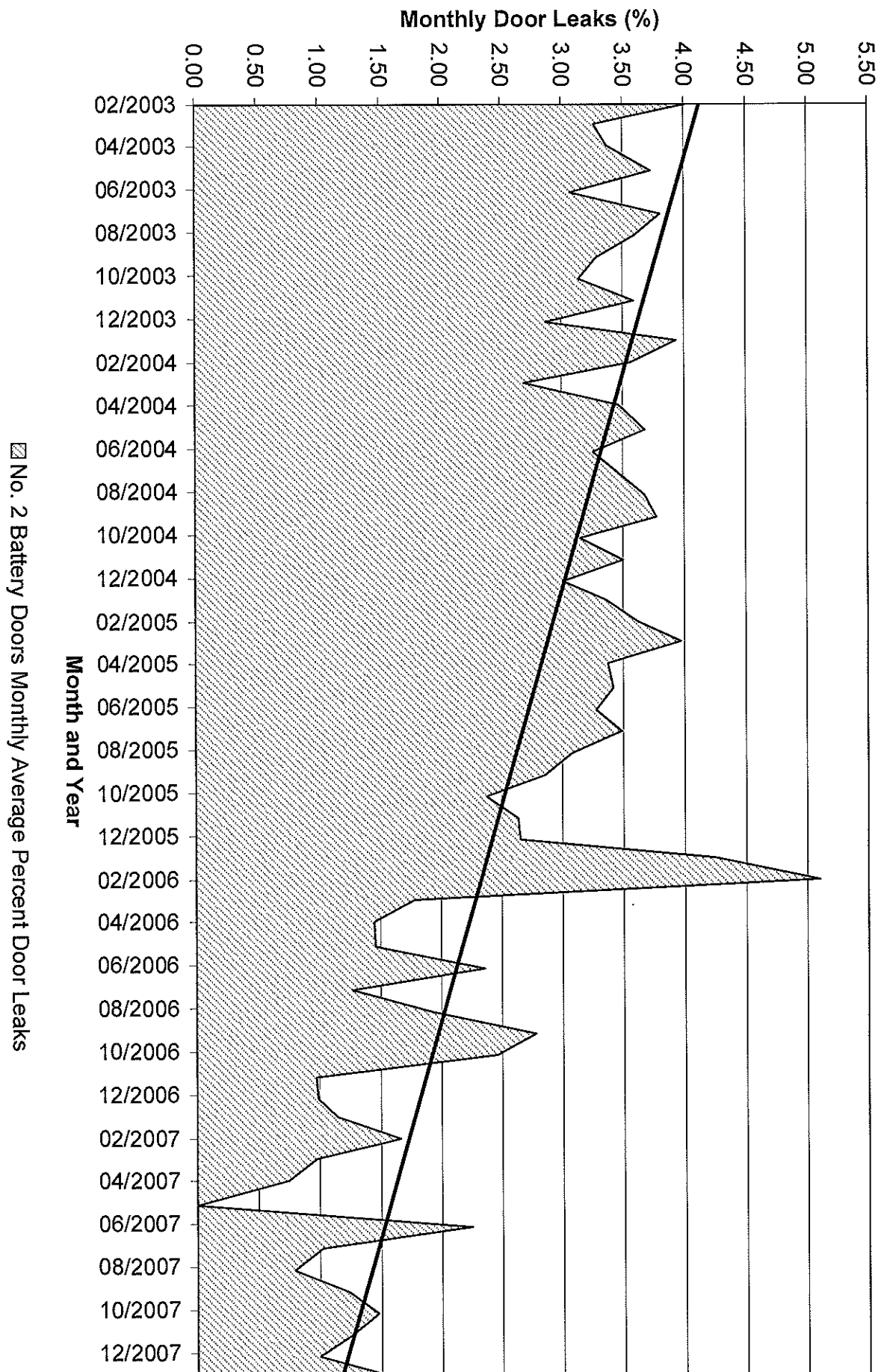
■ No. 5 Coke Battery Percent Compliance

**No. 7 Coke Battery  
Monthly Pushing Compliance  
December 2006 to December 2007**



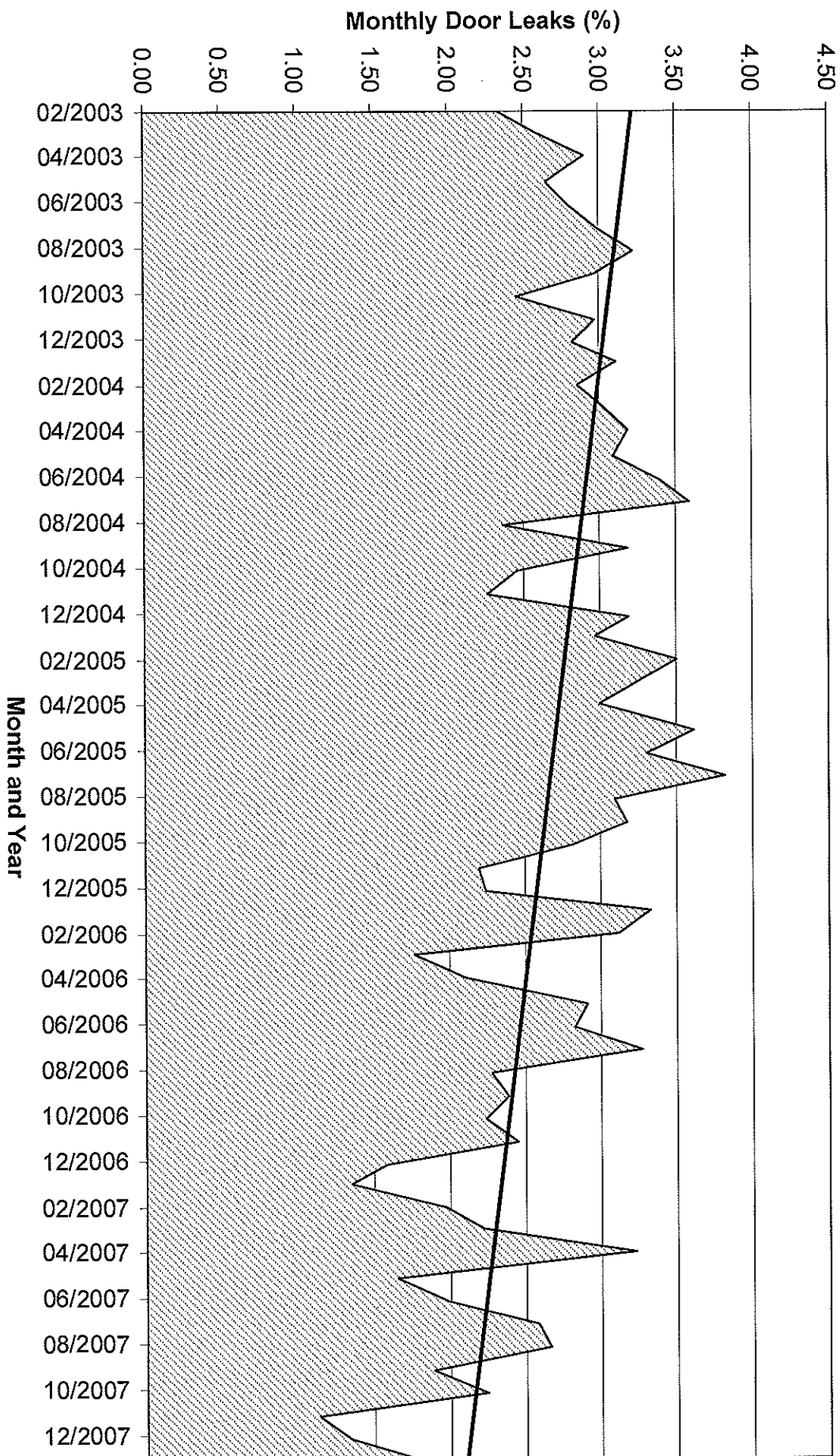
■ No. 7 Coke Battery Percent Compliance

No. 2 Coke Battery Doors  
Monthly Average Percent Door Leaks  
02/2003 to 01/2008





No. 5 Coke Battery Doors  
Monthly Average Percent Door Leaks  
02/2003 to 01/2008



■ No. 5 Battery Doors Monthly Average Percent Door Leaks



No. 7 Coke Battery Doors  
 Monthly Average Percent Door Leaks  
 02/2003 to 01/2008

